Recovery of bill from employees

1880. SHRIMATI KAMLA MANHAR: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that payment made to empanelled hospitals for treatment of National Fertilizers Limited (NFL), NOIDA employees against hospital estimates are in certain cases, disallowed in part on receipt of actual bills and recovered from the employees concerned; and

(b) if so, what is the basis or justification for recovery of the disallowed sum from the employees and not the hospital which have actually received the amount?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHHATTRA PAL SINGH): (a) and (b) Yes, Sir. Medical Claims submitted by the employees are regulated as per the Medical Rules of the Company and reimbursement is made only to the extent of the amount admissible in certain cases on employees request advance is paid to the hospital which is based on the estimates from the hospital and on finalisation of bill the unadjusted advance if any is recovery from the employee. However, the disallowed amount is worked out based on the Medical Rules of the Company.

Recovery of overcharged amount

†1881. SHRI RAM JETHMALANI:
SHRI RAJIV RANJAN SINGH 'LALAN':

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the concerned Department have sent notices to drug manufacturing companies to recover the excess price charged by these companies on certain medicines from June, 2000;

(b) if so, the dates when these notices have been sent and the details of the amount directed to pay by each of the drug manufactures along with the names of these drug manufactures; and

(c) whether the said amount has been recovered after this direction; if so, the details of the amount deposited by each of the companies and by when the said amount was to be deposited as per the above direction?

†Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHHATTRA PAL SINGH): (a) to (c) For a Scheduled formulation, a manufacturer is required to follow the price fixed/notified by the Government in accordance with the provisions of the Drugs (Prices Control) Order, 1995 (DPCO, 95). For any violation of the price fixed, action is taken under the provision of the DPCO, 95. Notices by the National Pharmaceutical Pricing Authority (NPPA) under Para 13 of DPCO, 95 for charging price higher than price fixed/notified are issued to those involved in such violation.

In its order dated 1.8.2003 in Special Leave Petition (C) No. 3668/2003, the Honourable Supreme Court has stated, *inter alia*, that "We also consider it just and proper to give liberty to the appellant and the concerned statutory authorities to recover 50% of the 'overcharged' amounts pending fresh determination by the High Court. Accordingly, we direct stay of recovery of 50% of the 'over charged' amount subject to the payment of remaining 50% within the period of four weeks from the date of communication of the amount payable by each of the writ petitioners."

In November, 2003 the National Pharmaceutical Pricing Authority (NPPA) have issued notices to the following companies for recovery of 50% of the overcharged amount in respect of the bulk drugs shown against each for the period from July, 2000 to July, 2003:

Sl.No.	Name of the Bulk Drug	Name of the Company	50% of Overcharged amount to be recovered as per the Supreme Court Order dated 1.8.2003 (Rs.)
1.	Norfloxacin	M/s Ranbaxy Ltd.	8,080,942
2.	Cloxacilin	M/s Ranbaxy Ltd.	7,99,685
3.	Norfloxacin	M/s Cipla Ltd.	257,209,232
4.	Ciprofloxacin	M/s Cipla Ltd.	239,558,166
5.	Salbutamol	M/s Cipla Ltd.	270,810,727
6.	Theophyline	M/s Okasa Pharma Ltd.	5,894,815
7.	Cloxacilin	M/s Okasa Pvt. Ltd.	119,262,500